

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 58th LEGISLATURE - REGULAR SESSION

COMMITTEE ON HUMAN SERVICES

Call to Order: By **CHAIRMAN BILL THOMAS**, on April 17, 2003 at 3:00 P.M., in Room 172 Capitol.

ROLL CALL

Members Present:

Rep. Bill Thomas, Chairman (R)
Rep. Arlene Becker, Vice Chairman (D)
Rep. Tom Facey (D)
Rep. Daniel S. Hurwitz (R)
Rep. Penny Morgan (R)
Rep. Don Roberts (R)
Rep. Ron Stoker (R)
Rep. Jonathan Windy Boy (D)

Members Excused: Rep. Mark Noennig, Vice Chairman (R)
Rep. Steve Gallus (D)
Rep. Ray Hawk (R)
Rep. Larry Jent (D)
Rep. Holly Raser (D)

Members Absent: None.

Staff Present: Susan Fox, Legislative Branch
Alberta Strachan, Committee Secretary

Please Note. These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing & Date Posted: SJR 32, 4/14/2003
Executive Action: SJR 32 To Be Concurred In

HEARING ON SJR 32**Sponsor:** SEN. DUANE GRIMES, SD 32, Clancy**Opening Statement by Sponsor:**

SEN. GRIMES said this Joint Resolution of the Senate and the House of Representatives of the State of Montana requests the Legislative Council to appoint an interim committee or direct staff resources to study the costs and availability of liability insurance for health care facilities and health care providers associated with health care facilities. It also requires a report of the findings of the study to the 59th Legislature. He also stated that small hospitals are now paying \$2 million in comparison to \$200,000 for liability insurance.

{Tape: 1; Side: A; Approx. Time Counter: 4 - 51}

Proponents' Testimony:

John Flink, Montana Hospital Association, said they strongly support this legislation. There is a growing and tremendous problem with liability coverage paid by hospitals and nursing homes. He also said the hospital in Big Timber went from \$9,000 in 2001 to \$90,000 in 2003 for liability insurance. The hospital in Circle went from \$8,000 to \$66,000 and this facility has had no medical liability claims in at least ten years. There is a huge problem in the health care community. He also stated that some of the other issues associated with obtaining liability coverage for hospital and nursing homes has been a problem acquiring insurance because of the limited number of carriers writing this kind of coverage has decreased so dramatically in the last few years. Two of the major hospital liability carriers have left the state. It has been very difficult for the Hospital Association to find coverage for these small facilities. Once they do find coverage it has been very expensive. This is a subject that would be worthy of a study to get some recommendations. The Hospital Association would like to also see an increase in the supply of insurance.

{Tape: 1; Side: A; Approx. Time Counter: 51 - 86}

Mike Foster, St. Vincent, Billings; Holy Rosary, Miles City and St. James, Butte, said hospitals are incurring tremendous increases in liability insurance costs.

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Sami Butler, Montana Nurse's Association, said they support this bill. They have a group of members that are called advanced practice nurses the they have had an increase of their liability insurance about 69% on average over the last two years. With the

combination of medicaid reimbursements as well as the increase in liability insurance their practice has not been helped.

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Al Smith, Montana Trial Lawyers Association, said they support this with the amendments which have been proposed. There is something else besides lawsuits going on. This study will get a real solution for Montana.

{Tape: 1; Side: A; Approx. Time Counter: 109 - 122}

Jane McCall, Deaconess Billings Clinic, said they support this study.

{Tape: 1; Side: A; Approx. Time Counter: 122 - 125}

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses:

REP. STOKER asked Mr. Flink about any reports from the State Auditor's Office regarding the status of this situation. **Mr. Flink** said there was no study on this subject.

{Tape: 1; Side: A; Approx. Time Counter: 125 - 135}

REP. HURWITZ asked **SEN. GRIMES** if there was any indication that this is really not an insurance problem but an investment problem by the insurance companies. **SEN. GRIMES** said that matter was discussed by the Senate and it created some controversy. The facts will be studied by the interim committee and they will decide what items to delve into. There is latitude if the committee so desires to go into any aspect of the cost of insurance.

{Tape: 1; Side: A; Approx. Time Counter: 135 - 146}

REP. STOKER asked Mr. Smith about his opinions regarding the State Auditor's recommendation on this issue. **Mr. Smith** said he had talked to the State Auditor and he was informed they did approve of the study.

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Closing by Sponsor:

The Sponsor closed.

{Tape: 1; Side: A; Approx. Time Counter: 155 - 160}

EXECUTIVE ACTION ON SJR 32

Motion/Vote: REP. FACEY moved that SJR 32 BE CONCURRED IN.
Motion carried 13-0 with REP. HURWITZ giving a voice vote for
REPS. NOENNIG and HAWK and REP. BECKER giving a voice vote for
REPS. GALLUS, JENT and RASER.

ADJOURNMENT

Adjournment: 4:00 P.M.

REP. BILL THOMAS, Chairman

CJ JOHNSON, Secretary

BT/CJ

EXHIBIT (huh83aad)